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Development (19$ 42) Department.

MS SERIES.

G.O. No. 4074

Dated 4-8-42

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espatch Abstract.]

Agricultural - Grow More Food - Distribution of Groundnut cake by the Agricultural Department - Transfer to Co-operative Societies in all Districts - Orders issued.

GOVERNMENT OF MADRAS

ABSTRACT

AGRICULTURE - Grow More Food - Distribution of Groundnut cake by Agricultural Department - Transfer to Co-operative Societies in all Districts - Orders Issued.

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Development Department.

G.O. MS. NO. 4074. Dated 4th August 1948.

Read the following:--

G.O.NO.3397, Development, dated 24-6-48.
From the Director of Agriculture, No.G.4 285/48, dated 9th July 1948.

ORDER:

In G.O.Ms. 3397, Development, dated 24th June 1948, the Government have ordered that the distribution of the controlled portion of groundnut cake should be handed over by the Agriculture Department to Co-operative Societies in Salem District. They now direct that the distribution of the controlled portion of groundnut cake should be handed over by the Agricultural Department to Co-operative Societies in the other districts also immediately. The scheme should be worked in the following manner in all the Districts including Salem.

2. PROCUREMENT: - The Co-operative Societies selected for the purpose by the Registrar of Co-operative Societies should take delivery of the allotted quotas of groundnut cake from the mills on the release orders issued by the Joint Director of Agriculture. In the case of surplus districts, the millers should despatch the surplus cake to the deficit districts on the release orders issued by the Joint Director of Agriculture. The Co-operative Societies in all cases should take delivery of the cake and pay the millers direct. The collection of the dues from the Co-operative Societies to millers will be no part of the duty of the Agricultural Department. The Registrar of Co-operative Societies should take steps to ensure that societies pay millers promptly and without any delay.

3. DISTRIBUTION: The Central Co-operative Stores in each district shall under the distribution to the Co-operative Societies on a centralised basis. The allotment of cake to the districts and the taluks will be made by the Director of Agriculture. The allotment to the villages will be made by the District Agricultural Officer. The distribution to individual ryots for cash shall be on the basis of the paddy area furnished by the Collector as per G.O. MS.794, dated 17th February 1948. The functions assigned in this Government Order to the Agricultural Demonstrator will be discharged by the Co-operative Societies referred to in para 2 above. The paddy bonus coupon holders shall be supplied by the Societies with groundnut cake to the full value of the bonus coupons subject to the availability of stocks.

4. SALE PRICE: The Co-operative Societies are permitted to sell the cake to the ryots at the following rates:

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Districts.	Rate per bag of 160 lbs. Rs. A. P.
1. North Vizagapatam, South Vizagapatam, East Godavari, West Godavari, Krishna, Guntur, Kurnool, Bellary, Anantapur and Cuddapah.	9 12 0
II. Chittoor, North Arcot, Chingleput, South Arcot, Tanjore, Pattukottai, Tiruchirapalli, Madura, Ramnad, Tinnevelly, Salem, Nellore, Coimbatore, Malabar, South Kanara and the Nilgiris.	10 8 0

(NOTE:- The rates are annas eight above the Agricultural Department price in order to effset the extra expenditure under present arrangements).

The expenditure incurred by the Co-operative Societies on account of the overhead and establishment charges and also the margin of profit, viz. one anna per bag to the whole sale society and four annas per bag to retail society should not exceed 15% of the cost price of cake. The expenditure after deducting the profit on account of the excess in selling prices over the purchase prices will be met by the Government. The feasibility of reducing the 15% margin of extra expenditure will be examined again and separate orders will be issued on it after the report called for in para 9 below is received by Government *A

"5. TRANSFER OF PRESENT STOCKS. The stocks now held by the Agricultural Department should be handed over to the Co-operative Societies at the rates mentioned in para 4 above less 5 annas representing the margin of profit at the whole sale and retail stage. The societies may be permitted to sell the stocks in the godowns of the Agricultural Department till the existing stocks are cleared at the prices given in para 4 above. The margin of profit for whole sale and retail distribution at the rate of Rs. 0-1-0 and Rs.0-4-0 per bag to the Co-operative Societies shall be allowed by the Government in respect of these stocks also. But the societies will not be allowed to claim any other charges in respect of these stocks. Fresh stocks may be stored in the godowns of the societies. ~~These-godowns-which-are-now-exclusively-engaged~~ Those godowns which are now exclusively engaged for stocking groundnut cake may straight away be transferred immediately to the Co-operative Societies selected and rents paid by them from the date of such transfer (with the concurrence of the lesser of the Buildings).

6. DECONTROLLED CAKE: The same co-operative Society should not deal in both controlled and decontrolled cake.

7. ACCOUNTS: The Co-operative Societies shall maintain separate accounts for their transactions in Groundnut cake and maintain the following registers and records:

(1) Purchases day book.
(2) Sales day book.
(3) Stock book.
(4) Contingent register relating to payment of costs and incidental charges.
(5) Cash book.
(6) Counterfoils of receipts issued for moneys received.

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(7) Vouchers for payments.
(8) Abstract of payments and receipts (monthly and annual).

These accounts shall be checked and audited by the staff of the Co-operative Department subject to the Control of the Registrar of Co-operative Societies. The Registrar of Co-operative Societies is requested to issue clear instructions on the subject in consultation with the Accountant General if necessary and communicate copies to the Government Director of Agriculture and the Accountant General.

8. ADDITIONAL STAFF IN THE CO-OPERATIVE DEPARTMENT FOR CONTROL OF THE WORK BY CO-OPERATIVE SOCIETIES:

Orders will be issued separately.

9. The Registrar of Co-operative Societies is requested to scrutinise the several items which together make up the margin of overhead charges upto 15% referred to in para 4 above and report whether this margin can be reduced.

10. The Government consider that the interest of 5% allowed on the capital invested by Co-operative Societies in addition to the profit at one anna per bag for the whole saler and four annas per bag to the retailer is very high and that the rate of interest should be reduced to 4%. The Registrar of Co-operative Societies is requested to examine this point and submit a report to Government urgently.

11. The Director of Agriculture and the Registrar of Co-operative Societies are requested to refer to Government immediately any points for orders particularly if they relate to financial matters. The Accountant General and Chief Auditor State Trading Scheme are also requested to refer to Government immediately any points on which the orders of Government are required.

12. The Director of Agriculture should take proper acquittance for the transfer of stocks to the Co-operative Societies and for the closing of accounts of the departmental depots before the transfer is affected. The Registrar of Co-operative Societies and the Director of Agriculture are requested to fix mutually a date not later than a month from the date of this order for the transfer. The date of transfer should be reported to Government and the Accountant General.

13. The Registrar of Co-operative Societies is requested to submit quarterly report on the working of the scheme by 15th of the month following quarter. The first report should be for the quarter ending 30th September 1948 and submitted to Government before 15th October 1948.

14. The Joint Director of Agriculture has reported that there will be a saving of approximately Rs.1.72 lakhs on account of retrenchment of staff and closure of depots, consequent on the transfer of the work of the distribution of groundnut cake to the Co-operative Societies. He is informed that this retrenchment should actually be effected and he is requested to submit to Government full details of the retrenchment actually effected as early as possible. Government attach the greatest importance to the avoidance of double expenditure through having to employ staff for the scheme under both the Director of Agriculture and the Registrar of Co-operative Societies during the same period.

15. Under the existing scheme, the sale of groundnut cake by the Agricultural Department is subsidised by not including in the sale price, the establishment ~~of the cost~~ charges and the overhead charges upto 10% of the cost price. The subsidy is being met by this Government and the Government of India on a 50 : 50 basis. Under the new scheme also the

Government of India will be requested to share half the establishment charges and half the overhead charges, upto 10% of the cost price. If the over head charges under the new Scheme exceed 10% the excess will be fully met by the Provincial Government from their funds. A rough estimate of the extra cost to Government under the new scheme is given in the annexure.

16. The Joint Director of Agriculture is requested to submit a detailed financial statement for addressing the Government of India for a half grant in respect of establishment and the overhead charges under the existing scheme from 1st April 1948 upto the date of transfer to the Co-operative Societies . The Registrar Co-operative Societies is requested to submit a similar statement for addressing the Government of India towards the establishment and the overhead charges under the new scheme for the period from the date of transfer upto 31st March 1949. The Joint Director of Agriculture and the Registrar of Co-operative Societies are requested to adjust the claims against the Government of India every quarter as prescribed in Finance Department Memorandum No.41039-P.W.R. dated 12-6-1948.

17. The subsidy to be paid by the Government will be debited to "42.c. Co-operation Grants -in- aid". The Registrar of Co-operative Societies is requested to submit in due course proposals for the provision of the funds required to meet the extra expenditure involved in these orders. Pending provision of funds the Accountant General is requested to adjust the expenditure in audit. A supplementary grant for a token sum will be obtained from the Legislative at an early date.

A N N E X U R E.

Rough estimate of net cost to Provincial Government for the period of 1st August 1948 to 31st March 1949 on account of the transfer of work from Agricultural Department to Co-operative Societies:--

1. Total purchase price of 80,000 tons of cake as given by Director of Agriculture.	Rs.	1,06,11,166
2. Total selling price of cake by Co-operative Societies at Rs.9-12-0 and Rs.10-8-0 per bag.	Rs.	1,14,59,700
3. Profit on account of excess in selling price over purchase price (item (2)-(1))	Rs.	8,48,534
4. Net cost price of cake to Co-operative Societies -Item (1) plus 15% of item (1)	Rs.	1,22,02,841
5. Total overhead charges to Co-operative Societies - 15% of item (1)	Rs.	15,91,675
6. Subsidy to be paid to Co-operative Societies -Item (5) - Item (3) (within 10% of purchase price).	Rs.	7,43,141
7. Subsidy to be shared by Government of India 50% of item (6)	Rs.	3,71,570
8. Subsidy to be borne by Madras Government	Rs.	3,71,570
9. Estimated expenditure to Provincial on account of additional staff in cooperative Department.	Rs.	21,784

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10. Total Expenditure to Provincial Government (Item (8) and (9))	Rs.	24,784 3,93,354
11. Deduct anticipated savings under Agricultural Department due to retrenchment.	Rs.	1,72,000
12. Net expenditure to Provincial Government.	Rs.	2,21,354

(BY ORDER OF HIS EXCELLENCY THE GOVERNOR)

C.V. NARASIMHAN,
Deputy Secretary to Government.

To the Director of Agriculture-
To the Registrar of Co-operative Societies.
To the Accountant General, Madras through Finance.
To the Chief Auditor (State Trading Scheme).
To the Board of Revenue (Civil Supplies).
Copy to the Finance Department.
Copy to Finance (R.R.) DEPARTMENT.
Copy to Food Department.
Copy to Government of India, Ministry of Agriculture.

/True Copy/

Suoerintendent,
MADRAS RECORD OFFICE.

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